

## Postal Regulatory Commission


Washington, D.C. 20268-0001

### NOTICE OF FILING UNDER 39 U.S.C. § 404(d)

TO THE UNITED STATES POSTAL SERVICE:

Please take notice that on September 1, 2011, the Commission received a petition for review of the Postal Service's determination to close the Gepp post office located in Gepp, Arkansas. The petition for review was filed online by Kathy Adams on behalf of the Concerned Patrons of Gepp Post Office (Petitioner).

This notice is advisory only and is being furnished so that the Postal Service may begin assembling the administrative record in advance of any formal appeal proceedings held upon the alleged (closing/consolidation) for transmittal pursuant to 39 CFR § 3001.113(a) (requiring the filing of the record within 15 days of the filing with the Commission of a petition for review). The Postal Service's administrative record is due no later than September 16, 2011.



Shoshana M. Grove  
Secretary

Date: September 6, 2011

Attachment

Concerned Patrons of Gepp Post Office

PO Box 96

Gepp, Ar. 72538

August 30, 2011

Appeal on behalf of Gepp Post Office in Gepp, Ar. 72538

Docket #1364672-72538

This is a request for an appeal and a petition for review of the Postal Service's Final Determination to close Gepp Post Office in Gepp, Arkansas.

Concerned patrons of the Gepp post office believe that full consideration was not taken on the study of closing Gepp AR post office.

In the final determination letter it was stated that this office was up for study for the reasons of: Post office vacant, postal rental property has been foreclosed, declining economy and declining population.

In reference to:

1. Post office is vacant: The post masters position was never posted. It has been running smoothly with the local OIC and certainly saving money not paying a postmaster. If it had been posted there would probably have been career postal employees interested that could have transferred in all of the reorganization that is taking place.
2. Postal rental property has been foreclosed: That issue has been resolved since the study was done. The financial institution has gained control of the property and has maintained the lease agreement. There is a lease agreement in place and a building and contents that will have to be dealt with and that will have a cost.
3. Declining economy: The economy is an issue worldwide. If the post office is going to make it less convenient for people to use their services that certainly will not help to increase revenue. A number of post office box holders have said they will not drive the extra mileage to pick up their mail, therefore it would be less revenue for the postal service.
4. Declining population: In talking with our Gepp Volunteer Fire Department it does not appear that our population has decreased in this area. In fact, they are in the

process of working on adding two substations to help with the coverage area because of the growth in the community.

The figures on the Final Determination letter states that in closing this office there would be an annual savings of :

Postmaster Salary (EAS-11, No COLA)	\$33,168
Fringe Benefits @ 33.5%	\$11,111
Annual Lease Costs	<u>\$ 1,200</u>
Total Annual Costs	\$45,479
Less Annual Cost of Replacement Service	\$ 0
Total Annual Savings	\$45,479

That is not FULL financial disclosure for this office.

1. There is an OIC in this office so the Salary and Fringe Benefit figures for Postmaster will not be accurate for this office. And note that it has worked well for our community and has saved the Postal Service money.
2. It does not state how much the pay increase will be for the Postmaster of the office that will provide our service, if it is moved to that location.
3. There will definitely be a cost for relocating the Post office Boxes and other necessities to a different office and the removal of the current structure with contents from the property that is currently holding the lease agreement.
4. The disclosure does not take into consideration that the revenue would decrease with not having services convenient for patrons and the cancellations of post office box patrons that will not travel further to pick up their mail.

To our knowledge of Section 101(b) of Title 39 of the U.S. Code reads "The Postal Service shall provide a maximum degree of effective and regular postal service to rural areas, and small towns where post offices are not self-sustaining. No small post office shall be closed solely for operating at a deficit, it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities."

Our post office is not located "out in the country". We are on US Hwy 62, a highly traveled highway thru Arkansas.

We do not feel that Gepp Post office has received FULL consideration as to the Final Determination to Close.



Kathy Adams, Chair person



Date of Posting: 08/04/2011

Date of Removal: 09/05/2011

FINAL DETERMINATION TO CLOSE  
THE GEPP, AR POST OFFICE  
AND CONTINUE TO PROVIDE  
SERVICE BY HIGHWAY CONTRACT ROUTE SERVICE

DOCKET NUMBER 1364672 - 72538

## I. RESPONSIVENESS TO COMMUNITY POSTAL NEEDS

The Postal Service is issuing the final determination to close the Gepp, AR Post Office and provide delivery and retail services by highway contract route service under the administrative responsibility of the Viola Post Office, located six miles away.

The postmaster position became vacant when the postmaster retired on October 01, 2009. Since the postmaster vacancy an OIC has been installed to operate the office. Postmaster level and office service hours are determined by a workload analysis which includes the number of deliveries and revenue.

The office was studied for possible closing or consolidation due to the following reasons: Post Office is vacant, postal rental property has been foreclosed, declining economy and declining population in Gepp. This office earns 1.9 hrs per day.

The Gepp Post Office, an EAS-11 level, provides service from 08:00 to 16:15 Monday - Friday, 09:00 to 10:00 on Saturday and lobby hours of 8:00 - 16:15 on Monday - Friday and 9:00 - 10:00 on Saturday to 41 post office box or general delivery customers and 189 delivery customers. Retail services included the sale of stamps, stamped paper, and money orders; special services such as Registered Mail, Certified Mail, Insured Mail, COD Mail, and Express Mail services; and the acceptance and dispatch of all classes of mail.

The retail window averaged 14 transaction(s) accounting for 15 minute(s) of retail workload daily. With minimal workload, the Postal Service feels that effective and regular service will be provided by highway contract route service. Office receipts for the last 3 years were: \$32,609 ( 85 revenue units) in FY 2008; \$21,431 ( 56 revenue units) in FY 2009; and \$19,216 ( 50 revenue units) in FY 2010. There were no permit mailer(s) or postage meter customer(s).

On March 08, 2011, representatives from the Postal Service were available at to answer questions and provide information to customers. 71 customer(s) attended the meeting.

On February 23, 2011, 292 questionnaires were distributed to delivery customers of the Gepp Post Office. Questionnaires were also available over the counter for retail customers at the Gepp Post Office. 98 questionnaires were returned. Responses regarding the proposed alternate service were as follows: 5 favorable, 60 unfavorable, and 33 expressed no opinion.

One congressional inquiry was received on July 19, 2011.

When this final determination is implemented, delivery and retail services will be provided by the Viola Post Office, an EAS-16 level office. Window service hours at the Viola Post Office are from 07:30 16:00, Monday through Friday, and 09:00 11:00 on Saturday. There are 66 post office boxes available.

The proposal to close the Gepp Post Office was posted with an invitation for comment at the Gepp Post Office and Viola Post Office from March 14, 2011 to May 15, 2011. The following additional concerns were received during the proposal posting period:

1. **Concern:** Customers felt the cost of postage was increasing while service was decreasing

**Response:**

The Postal Service is not immune to rising costs affecting every family and business. We do not receive tax dollars to cover the cost of operations and must adjust our prices to cover our costs. The Postal Service Governors are responsible for approving prices for all Postal Service products and services. For mailing services prices, such as stamp prices, the Postal Service announces the new prices each February and they become effective each May. The Postal Regulatory Commission (PRC) reviews the new pricing for compliance with the price cap and other provisions of the Postal Act of 2006.

2. **Concern:**

Customers were concerned about later delivery of mail

**Response:**

A customer's location on a carrier's line of travel determines the time of day mail is delivered. This, of course, precludes providing early delivery of mail to every customer because, no matter how we structure a route, somebody must be last. We do, however, carefully consider the volume of mail for each route so that we can deliver the greatest amount of mail at the earliest possible hour. With the largest fleet of delivery vehicles in the world, to minimize vehicle and fuel expenses we must also pay special attention to energy conservation measures. When the price of gasoline goes up one cent per gallon our total gasoline cost rises more than \$1 million. Therefore, when structuring a route, we must balance our goal to deliver as much mail as possible as early as possible with the need to minimize the travel distance a route must cover.

The following nonpostal concerns were expressed from questionnaires, the community meeting, on the petition, and on the congressional inquiry:

1. **Concern:** Customers expressed concern for loss of community identity

**Response:** The customer expressed a concern about the loss of the Communities' identity. A community's identity derives from the interest and vitality of its residents and their use of its name. The Postal Service is helping to preserve community identity by continuing the use of the suspended Post Office name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory.
2. **Concern:** Customers felt level service was decreasing

**Response:** The customer expressed a concern about the level of service was decreasing. The Postal Service is not immune to rising costs affecting every family and business. We do not receive tax dollars to cover the cost of operations and must adjust our prices to cover our costs. The Postal Service Governors are responsible for approving prices for all Postal Service products and services. For mailing services prices, such as stamp prices, the Postal Service announces the new prices each February and they become effective each May. The Postal Regulatory Commission (PRC) reviews the new pricing for compliance with the price cap and other provisions of the Postal Act of 2006.
3. **Concern:** Customers were concerned about having to travel to another post office for service

**Response:** The customer expressed a concern about having to travel to another post office for service. Services provided at the post office will be available from the carrier, and customers will not have to travel to another post office for service. Most transactions do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience.
4. **Concern:** Customers were concerned about mail security

**Response:** The customer expressed a concern about the security of mail. Customers may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. The Postal Service does not open mailboxes which are locked and does not accept keys for this purpose.
5. **Concern:** Customers were concerned about senior citizens

**Response:** The customer expressed a concern about senior citizens. Carrier service is beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to Customers do not have to make a special trip to the post office for service. Special provisions are made for hardship cases or special customer needs. To request an exception for hardship delivery, customers may contact the administrative postmaster for more information.
6. **Concern:** Customers expressed concern for the PMR

**Response:** The PMR is a non-career position
7. **Concern:** Customers felt the level of service was decreasing

**Response:** The customer expressed a concern about the level of service was decreasing. The Postal Service is not immune to rising costs affecting every family and business. We do not receive tax dollars to cover the cost of operations and must adjust our prices to cover our costs. The Postal Service Governors are responsible for approving prices for all Postal Service products and services. For mailing services prices, such as stamp prices, the Postal Service announces the new prices each February and they become effective each May. The Postal Regulatory Commission (PRC) reviews the new pricing for compliance with the price cap and other

**Some advantages of the proposal are:**

1. The rural and contract carriers may provide retail services, alleviating the need to go to the post office. Stamps by Mail order forms are provided for customer convenience.
2. Customers opting for carrier service will have 24-hour access to their mail.
3. Savings for the Postal Service contribute in the long run to stable postage rates and savings for customers.
4. CBUs can offer the security of individually locked mail compartments. Parcel lockers provide convenient parcel delivery for customers.
5. Customers opting for carrier service will not have to pay post office box fees.
6. Saves time and energy for customers who drive to the post office to pick up mail.

**Some disadvantages of the proposal are:**

1. The loss of a retail outlet and a postmaster position in the community. Retail services may be provided by the rural or contract delivery carrier.
2. Meeting the rural or contract delivery carrier at the box to transact business. However, it is not necessary to be present to conduct most Postal Service transactions.
3. A change in the mailing address. The community name will continue to be used in the new address. A carrier route address will be assigned.

Taking all available information into consideration, the Postal Service concludes this final determination will provide a maximum degree of effective and regular postal services to the community.

## **II. EFFECT ON COMMUNITY**

Gepp is an unincorporated community located in FULTON County. The community is administered politically by Fulton Co. Police protection is provided by the Fulton County Sheriffs Office. Fire protection is provided by the Gepp Fire Dept. The community is comprised of farmers and retirees and those who commute to work at nearby communities and may work in local businesses.

Businesses and organizations include: Alsteel, Renfro Cons., Union Glass, Renfro Backhoe Serv., Avon-C. Duncan, Scensation Candles-K. Breen, Bathe in Beauty, Cotter Farms, Shrable Cattle Co., RT Ranch, A&W Farms, Ozark Breeders Assoc., D&S Guttering, Backwoods Sharpening, Magnuson Recovery Serv., Still Bait Shop, Pampered Chep-S. Smith, Twice As Nice, Custom Appl., Graves Tree Serv., Kerrville Painting Co., Mikes Taxidermy, Sweet Water Taxidermy, T&K Investments, Tammys Place, Johns Mower Serv., Lackland Home Serv., Hilltop Garage, Cozy Oaks Sales & Marketing, J&K Enterprises, Hilltop Real Estate, J&J Lawncare, Boatell, Divelbiss Dairy Co., Alph Baking Co., Residents may travel to nearby communities for other supplies and services.

Nonpostal services provided at the Gepp Post Office will be available at the Viola Post Office. Government forms normally provided by the Post Office will also be available at the Viola Post Office or by contacting your local government agency.

The following nonpostal concerns were expressed from questionnaires, the community meeting, on the petition, and on the congressional inquiry:

None

Based on the information obtained in the course of this discontinuance study, the Postal Service concludes this final determination will not adversely affect the community.

## **III. EFFECT ON EMPLOYEES**

The postmaster position became vacant when the postmaster retired on October 01, 2009. The noncareer postmaster relief (PMR) may be separated from the Postal Service. No other Postal Service employee will be adversely affected. Since the postmaster vacancy an OIC has been installed to operate the office.

## **IV. ECONOMIC SAVINGS**

The Postal Service estimates an annual savings of \$ 45,479 with a breakdown as follows:

Postmaster Salary (EAS-11, No COLA)	\$ 33,168
Fringe Benefits @ 33.5%	\$ 11,111
Annual Lease Costs	<u>+ \$ 1,200</u>
Total Annual Costs	\$ 45,479
Less Annual Cost of Replacement Service	<u>- \$ 0</u>
Total Annual Savings	<u>\$ 45,479</u>

## **V. OTHER FACTORS**

The Postal Service has identified no other factors for consideration.



## VI. SUMMARY

This is the final determination to close the Gepp, AR Post Office and provide delivery and retail services by highway contract route service under the administrative responsibility of the Viola Post Office, located six miles away.

The postmaster retired on October 01, 2009. If the office has a noncareer PMR(s), they may be separated from the Postal Service; however, attempts will be made to reassign the employee(s) to a nearby facility. No other employee(s) will be adversely affected. The workload has declined. Effective and regular service will continue to be provided by highway contract route service.

The Gepp Post Office provided delivery and retail service to 41 PO Box or general delivery customers and 189 delivery route customers. The daily retail window transactions averaged 14. There are no permit mailers or postage meter customers.

There will no longer be a retail outlet in the community. However, delivery and retail services may be available from a rural or contract delivery carrier, which could alleviate the need to travel to a Post Office for service. The Postal Service will save an estimated \$45,479 annually. A disadvantage to some will be in meeting the rural or contract delivery carrier to transact business. However, it is not necessary to be present to conduct most Postal Service transactions with rural or contract delivery carrier.

Taking all available information into consideration, the Postal Service has determined that the advantages outweigh the disadvantages and this final determination is warranted.

## VII. NOTICES

- A. Support Materials. Copies of all materials upon which this final determination is based are available for public inspection at the Gepp Post Office and Viola Post Office during normal office hours.
- B. Appeal Rights. This final determination to close the Gepp Post Office may be appealed by any person served by that office to the Postal Regulatory Commission at 901 New York Ave NW, Suite 200, Washington DC 20268-0001. Appeals must be received by the Commission within 30 days of the date this final determination is posted. If an appeal is filed, copies of appeal documents prepared by the Postal Regulatory Commission or the parties to the appeal will be made available for public inspection at Gepp Post Office and Viola Post Office during normal office hours.



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Dean J Granholm  
Vice President of Delivery and Post Office Operations

08/01/2011

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Date